

## CHAPTER 2

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# RECORD KEEPING REQUIREMENTS

### Section 2-1

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#### REQUIRED RECORDS

**2-1.1 Authorization.** Section 18 of the *Motor Vehicle Service and Repair Act* (MCL 257.1318) requires motor vehicle repair facilities to make and keep certain records concerning vehicle repairs. Facilities must keep these records for a minimum of five years. Records are subject to inspection by law enforcement officials and Bureau of Regulatory Services' investigators during unannounced visits to repair facilities.

**2-1.2 Required Documents.** The documents a repair facility must keep for every vehicle which is repaired are listed below:

- (a) Written estimate;
- (b) Final invoice;
- (c) Any waivers, warranties or sublet invoices; and
- (d) Part purchase receipts and any other documents that pertain to the repair transaction.

Records of warranties, contracts or agreements that extend beyond five years must be maintained until the warranty or contract period expires.

**2-1.3 Disputes.** If the Bureau of Regulatory Services advises a repair facility that a dispute has arisen and that a specific repair transaction is under investigation, all documents pertaining to the dispute must be retained until the matter is resolved or five years has elapsed, whichever is longer.

**2-1.4 Late Model Major Component Parts.** Receipts must be kept concerning all late model major component parts that are purchased, acquired or sold. A “late model” vehicle is one manufactured in the current model year or one of the five previous model years, if the vehicle weighs 8,000 pounds or less. Vehicles weighing more than 8,000 pounds are considered late model if manufactured in the current model year or one of the 15 previous model years. Also, a separate log or similar record system must be maintained regarding all late model major component parts (see sample *Major Component Part Record* at the end of this chapter).

"Major component part" is one of the following parts of a motor vehicle:

- (a) The body of a passenger vehicle;
- (b) The cab of a truck;
- (c) The cargo box of a pickup;
- (d) The deck lid, tailgate or hatchback;
- (e) The doors;
- (f) The engine;
- (g) The frame, or if the vehicle has a unitized body, the supporting structure that serves as the frame on a unitized body;
- (h) The front or rear bumper;
- (i) The hood;
- (j) The right or left front fender;
- (k) The right or left rear quarter panel;
- (l) The transmission; and
- (m) The trunk floor pan.

**2-1.5 Content Requirements.** A record of a late model major component part must be maintained in hard copy (paper) format or in electronic format.

- (a) **Hard Copy Records.** Hard copies (paper) of all information entries must be maintained in sequential order in a ledger-type format with single-line entries. These records are among those which must be available for inspection at the business location. Further, they should include the following information:

  - (1) Date the part was purchased or acquired;
  - (2) Description of the part (e.g., engine, door, right fender);
  - (3) Vehicle Identification Number or stock number assigned to the part;
  - (4) Year, make, model and color of the vehicle from which the part was removed;
  - (5) Name and address of the person from whom the part was purchased, acquired, or to whom it was sold;
  - (6) Invoice number of parts purchased;
  - (7) Date of sale (repair invoice date);
  - (8) Repair invoice number.
- (b) **Electronic Records.** An electronic record keeping system must include a reference guide to explain any codes or abbreviations used. The guide must be available at the business location and should be shown to any Bureau of Legal and Regulatory Services investigator or other law enforcement officer conducting a record inspection or investigating a complaint.

  - (1) If the electronic system is not functioning at the time of an inspection or investigation, the facility must produce, upon request, hard copies of the computer records for any transaction required to be in the record keeping system.

- (2) The Bureau of Regulatory Services may search all records of major component parts electronically for any of the following:
  - (a) Stock number;
  - (b) VIN or VIN derivative;
  - (c) Customer name;
  - (d) Name and dealer number of dealer from whom part was acquired;
  - (e) Date of purchase.

*NOTE: This type of search may also be conducted relative to late model major component parts that are removed from a damaged vehicle and which are no longer wanted by the customer, and the insurance company does not want them. A business wishing to repair and reuse the parts at a later date must assign stock numbers to the parts and enter the information in the major component part record.*

**2-1.6 Air Bag Requirements.** A facility that repairs or replaces air bags in a motor vehicle must maintain a record of each *used* or *reconditioned* air bag purchased, acquired or sold by the facility (MCL 257.1318). This information must be maintained in a Police Book or a late model major component part record format with a single-line entry for each air bag. Pages must be numbered consecutively. The information must be available for inspection by law enforcement officials and Bureau of Regulatory Services investigators. The records shall contain:

- (a) The date the air bag was purchased or acquired;
- (b) A description of each air bag;
- (c) The identification number assigned to each air bag;
- (d) The name and address of the person from whom the air bag was purchased or acquired;
- (e) The name and address of the person to whom the air bag was sold.

**Section 2-2****AUTHORIZATION FOR POLICE BOOK**

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**2-2.1 Description.** A Police Book is a hardcover, bound volume which contains a complete bought-and-sold record for each vehicle bought or sold by a business. If a facility does not buy or sell motor vehicles, a Police Book is not required. Police Books can be purchased at office supply stores and at some printing companies.

**2-2.2 Use.** When a dealer or a body shop acquires vehicles, certain information must be entered into the Police Book. The following information must be recorded in ink:

- (a) The date the vehicle was acquired;
- (b) The stock or inventory number assigned;
- (c) The description of the vehicle (year, make, body style, color);
- (d) The vehicle identification number (VIN);
- (e) The name and address of the former owner of the vehicle;
- (f) The vehicle's title number.

**2-2.3 Dismantled Vehicle Requirements.** When a dealer or body shop sells or delivers a vehicle or its remaining parts after dismantling, the following information must be recorded in the Police Book:

- (a) The name and address of the person to whom the vehicle or remaining parts were sold;
- (b) The date of sale.

**2-2.4 Combination Class C Dealer and Body Shop.** A body shop which sells but does not install motor vehicle parts must be licensed as a Class C Used Vehicle Parts Dealer.

- (a) One set of parts records is acceptable for a business that is both a Class C dealership and a body shop.

- (b) The records must be available at the licensed address. If the Class C dealership and the body shop are at two separate locations, duplicate records must be kept at each location.

## Section 2-3

### OTHER RECORD REQUIREMENTS

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**2-3.1 Authorization.** Section 2 of the *Used Motor Vehicle Parts Act* (Public Act 119 of 1986, MCL 257.1352) requires a repair facility to maintain a permanent record of each purchase or other acquisition of any used major component part of a late model motor vehicle *from a person other than a licensed vehicle dealer*.

**2-3.2 Specific Parts.** A late model major component part is considered one of the following parts of a motor vehicle that is used and was manufactured in the current model year or one of the five previous years:

- (a) Dashboard;
- (b) Doors;
- (c) Engine;
- (d) Front end assembly, including fenders, grills, hood, bumper and related parts;
- (e) Radio;
- (f) Rear clip assembly, including quarter panels and floor panel assembly;
- (g) Seat;
- (h) Stereo;
- (i) Tires, wheels, and continuous treads;
- (j) Transmission;
- (k) T-tops.

**2-3.3 Procedure.** Records must be written in ink and filled out in duplicate. Records must be numbered consecutively, beginning with numeral "1" plus the calendar year. The following information must be included:

- (a) A description of the part;
- (b) The Vehicle Identification Number of the vehicle the part came from;
- (c) The state of origin of the part;
- (d) The date the part was acquired;
- (e) The name of the person who acquired the part for the facility;
- (f) The name, date of birth, driver license number, street and house number, and legible imprint of the right thumb of the person from whom the part was acquired;
- (g) The price paid for the part;
- (h) The method of payment;
- (i) The signature of the person from whom the part was acquired.

**2-3.4 Inspection.** The records must be open for inspection for at least one year by any Bureau of Automotive Regulation investigator or law enforcement official during normal business hours.

*NOTE: While most records must be kept for five years, the Used Motor Vehicle Parts Act requires that records must be available for only one year.*

**2-3.5 Violation.** A conviction for any violation of the *Used Motor Vehicle Parts Act* may be grounds for denial, suspension or revocation of a repair facility registration, mechanic certificate or mechanic trainee permit.

MAJOR COMPONENT PARTS RECORD									
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